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## BEFORE THE ARIZONA CORPORATION COMMISSION

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**COMMISSIONERS**

KRISTIN K. MAYES, CHAIRMAN

GARY PIERCE

PAUL NEWMAN

SANDRA D. KENNEDY

BOB STUMP

NOV 10 2009

ARIZONA CORP. COMMISSION  
CORPORATIONS DIVISION

IN THE MATTER OF THE  
APPLICATION OF SONOITA VALLEY  
WATER COMPANY FOR A RATE  
INCREASE

and

IN THE MATTER OF THE  
APPLICATION OF SONOITA VALLEY  
WATER COMPANY FOR  
AUTHORITY TO INCUR DEBT TO  
FINANCE WATER SYSTEM  
IMPROVEMENTS

Docket No. W-20435A-09-0296  
W-20435A-09-0298**NOTICE OF REVISED OPINION OF  
PROBABLE COSTS**Arizona Corporation Commission  
DOCKETED

NOV 12 2009


DOCKETED BY

The Sonoita Valley Water Company ("Company") hereby files the Revised  
Opinion of Probable Costs set forth in Attachment 1. This Opinion of Probable Costs  
hereby replaces the initial Opinion of Probable Costs submitted in both the Rate  
Application as Exhibit 12 and the Finance Application as Exhibit 1.

Arizona Corporation Commission staff has requested additional documentation  
regarding the costs associated with the hydropneumatic tank. Accordingly, the Company  
hereby submits the price quote from Roy E. Hanson Jr. Manufacturing set forth in  
Attachment 2.

1  
2 RESPECTFULLY SUBMITTED this 10<sup>th</sup> day of November, 2009.  
3  
4

5 MOYES SELLERS & SIMS LTD.  
6

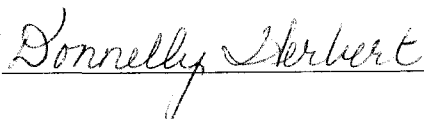
7   
8 Steve Wene  
9 1850 North Central Avenue  
10 Suite 1100  
11 Phoenix, Arizona 85004  
12 swene@lawms.com

13 Original and 13 copies filed this  
14 10th day of November, 2009, with:

15 Docket Control  
16 Arizona Corporation Commission  
17 1200 West Washington Street  
18 Phoenix, Arizona 85007

19 Copy of the foregoing mailed this  
20 10<sup>th</sup> day of November 2009 to:

21 Robin Mitchell, Attorney  
22 Legal Division  
23 Arizona Corporation Commission  
24 1200 West Washington Street  
25 Phoenix, Arizona 85007

26   
27  
28

# **ATTACHMENT 1**



OPINION OF PROBABLE COSTS - REVISION NO. 3

24-Sep-09

SOUTHERN WATER COMPANY AND SONOITA VALLEY WATER COMPANY

Item No	Item Description	Unit	Qty	Unit Cost Installed	Extended Cost Installed	Notes
<b>Southern Water Company PWS 12-308</b>						
1	Meter Repair and replacement	EA	19	\$ 130.00	\$ 2,470.00	Water meter replacement for service connections in the business area of the Southern Water Company PWS 12-308.
<b>Southern Water Company PWS 12-010 and Sonoita Valley Water Company PWS 12-005</b>						
2	Replace 2" and 3" with 4" CL 200 PVC	LF	10560	\$ 25.50	\$ 270,000.00	Installing 4" Class 200 PVC and appurtenances. It is estimated that 3,250 L.F. will be installed along Colffe Drive of PWS# 12-005; 1,200 L.F. will be installed along Park Drive of PWS#12-005; 2,900 L.F. will be installed to replace the emergency interconnection of PWS #12-002; and 3,210 L.F. will be installed along Boyd Lane and Toledo Road of PWS# 12-010. These areas have been determined to be critical areas for pipe replacement due to existing and past pipe leaks and failures
3	Los Encinos Well Improvements	LS	1	\$ 35,000.00	\$ 35,000.00	Replace the existing submersible pump and drop pipe as needed with a larger pump as required to provide system pressures and flows to all seventy-nine customers. This will equip the Los Encinos well with a larger submersible pump (PWS#12-010). The replacement pump is estimated to be 10 Horsepower. The duty point is estimated to be 60 gpm @ 490' total dynamic head with an overall efficiency of 75 percent.
4	25 Hp Booster Station	LS	1	\$ 35,000.00	\$ 35,000.00	This booster station would include up to four new booster pumps to provide water demand to the distribution system, including suction and header piping, pressure gauges, flow meters, isolation and check valves, and pipe supports. This pump station will be installed near Well #4 of PWS#12-005
5	40,000 gallon steel reservoir	LS	1	\$ 40,000.00	\$ 40,000.00	There are 3 10,000 gallon storage structures in this water system. A 40,000 gallon reservoir would provide 1-day of storage during peak month water demands. The reservoir will have a ladder, level floats, isolation valves, access hatches, and sight gauges. This reservoir will be installed near Well #4 of PWS#12-005
6	Hydropneumatic Tank	EA	2	\$ 16,750.00	\$ 33,500.00	A 3,000 gallon hydropneumatic tank would serve as the control of the new booster pumps and would include a sight glass, foundation and support, an air compressor, valves, pressure gauges, and other appurtenances required. One tank near Well #4 of PWS# 12-005 and one tank near the Los Encinos well of PWS #12-010
7	Site electrical	LS	1	\$ 57,530.00	\$ 57,530.00	Site electrical would include all conduit, wire cables, controls and switches to the well, pumps, storage tank and hydropneumatic tank, a flood lamp, an equipment lamp, GFI receptacle, utility meter socket, main disconnect/transfer switch, combination meter. This work will be done at both well sites, Well #4 of PWS#12-005 and the Los Encinos well of PWS#12-010.
<b>Subtotal</b>					<b>\$ 473,500.00</b>	
Administration and Legal Expenses				2% of Construction Cost	\$ 9,470.00	
Land, Structures, and Right-Of-Way				NA	\$ -	
Relocations				NA	\$ -	
Arch and Engineering Fees				8% of Construction Cost	\$ 37,880.00	
Other A and E Fees (Survey, Geotech, etc)				2% of Construction Cost	\$ 9,470.00	
Project Inspection Fees				3.5% of Construction Cost	\$ 16,572.50	
Subtotal					\$ 546,892.50	
Contingencies, 20%					\$ 109,378.50	
<b>Total Project Costs</b>					<b>\$ 656,271.00</b>	
<b>Construction Costs per Benefitting Connection</b>					<b>\$ 4,984.21</b>	

# **ATTACHMENT 2**

<http://www.hansontank.com>

# Roy E. Hanson Jr. Mfg.



A.S.M.E. PRESSURE  
VESSELS

1600 E. Washington Blvd. - Los Angeles, California 90021

Mailing Address: P.O. Box 30507 - Los Angeles, California 90030-0507

(213) 747 7514 & (213) 747 5363

FAX: (213) 747 7724 & (213) 748 4016

(800) 421 9395

Calif.: (800) 521 6856

To: Engineering and Environmental Consultants

Monday, September 21, 2009

To Fax#: 520 321 0333

To Ph.#: 520 321 4625

Job Ref.:

Quote #: 092109CJ1508

Attn.: T. Woster.

We are pleased to confirm our quotation for the following vessel(s):

By: Cliff Jones

- ( 1 ) 72"DIA x 185"OA, 120 psig ASME, water tank,  
3,000 gallon capacity, horizontal with attached saddles,
- ( 1 ) 12"x16" standard manway,  
epoxy lined interior, primer painted exterior,  
2.5" threaded connections

Net Price each

Weight each

F.O.B. Point:

Delivery (as of this date): 6 wks from drawing approval

Price valid for 60 days

**\$12,989.00**

3767#

Factory; Los Angeles, California

NOT INSTALLED PRICE  
FOR INSTALLED PRICE  
SEE OPC DATED 24-SEP-09

Note connection size quoted. Changes may affect your cost.

FOR BETTER SERVICE - PLEASE RETURN A  
COPY OF THIS QUOTE WHEN ORDERING

Cliff Jones  
Sales

Note:

Unless stated otherwise, this quote is for vessels manufactured and tested in accordance with the latest ASME Boiler & Pressure Vessel Code, Section VIII, Division I or Section IV, HLW, using our standard materials and procedures. Submittal drawings will be supplied on receipt of purchase order. Drawing charges may be additional. There is a \$200 net fee to revise our shop drawing after it has been approved. This increases to \$500 if the tank is already in our production schedule. Plus time and material charges if work on the tank has been started. Quote is subject to our engineer's review. Exception is taken to all technical specifications & purchasers terms & conditions not previously furnished for our review. If freight cost is included, we reserve the right to specify the carrier. Terms are Net 30 subject to credit approval. Any upgrades or additional requirements such as in shop inspections will increase the price. Storage charges may be due if the required shipment date is changed after the order is entered. Errors & omissions excepted.  
Roy E. Hanson Jr. Mfg. is an Equal Opportunity Employer.